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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-876]

Welded Line Pipe from the Republic of Korea: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2016-2017

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) finds that producers or exporters of welded line pipe from the Republic of Korea sold welded line pipe at less than normal value during the period of review (POR), December 1, 2016, through November 30, 2017.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *Federal Register*].

FOR FURTHER INFORMATION CONTACT: David Goldberger or Joshua Tucker, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC, 20230; telephone: (202) 482-4136 or (202) 482-0244, respectively.

SUPPLEMENTARY INFORMATION:

Background

This review covers 32 producers or exporters. Commerce selected two companies, NEXTEEL Co., Ltd. (NEXTEEL) and SeAH Steel Corporation (SeAH), for individual examination. The producers or exporters not selected for individual examination are listed in the “Final Results of the Review” section of this notice.

On February 14, 2019, Commerce published the *Preliminary Results*.¹

On April 4, 2019, we received case briefs from NEXTEEL, SeAH, Husteel Co., Ltd., Hyundai Steel Company, and Maverick Tube Corporation (Maverick).² On April 12, 2019, we received rebuttal briefs from SeAH, Maverick, and domestic producers California Steel Industries, TMK IPSCO, and Welspun Tubular LLC USA (collectively, “Domestic Interested Parties”).³

Scope of the Order

The merchandise subject to the order is welded line pipe.⁴ The product is currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) item numbers: 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.5000, 7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150. Although the HTSUS numbers are provided for convenience and for customs purposes, the written product description remains dispositive.

Analysis of Comments Received

¹ See *Welded Line Pipe from Korea: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2016–2017*, 84 FR 4046 (February 14, 2019) (*Preliminary Results*).

² See NEXTEEL’s Case Brief, “Welded Line Pipe from the Republic of Korea: NEXTEEL’s Case Brief,” dated April 4, 2019; SeAH’s Case Brief, “Case Brief of SeAH Steel Corporation,” dated April 4, 2019; Husteel’s Case Brief, “Welded Line Pipe from the Republic of Korea, 12/1/2016-11/30/2017 Administrative Review, Case No. A-580-876; Case Brief,” dated April 4, 2019; Hyundai Steel’s Case Brief, “Welded Line Pipe from the Republic of Korea: Case Brief,” dated April 4, 2019; and Maverick’s Case Brief, “Welded Line Pipe from the Republic of Korea: Case Brief of Maverick Tube Corporation,” dated April 4, 2019.

³ See SeAH’s Rebuttal Brief, “Rebuttal Brief of SeAH Steel Corporation,” dated April 12, 2019; Maverick’s Rebuttal Brief, “Welded Line Pipe from Korea: Rebuttal Brief of Maverick Tube Corporation,” dated April 12, 2019 (Maverick Rebuttal Brief); and Domestic Interested Parties Rebuttal Brief, “Welded Line Pipe from the Republic of Korea: Rebuttal Brief,” dated April 12, 2019.

⁴ For a complete description of the scope of the order, see *Preliminary Results* and accompanying Preliminary Decision Memorandum (PDM).

All issues raised in the case and rebuttal briefs are listed in the Appendix to this notice and addressed in the IDM.⁵ Interested parties can find a complete discussion of these issues and the corresponding recommendations in this public memorandum, which is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and ACCESS is also available to all interested parties in the Central Records Unit, room B8024, of the main Department of Commerce building. In addition, a complete version of the IDM can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed IDM and the electronic version of the IDM are identical in content.

Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties regarding our *Preliminary Results*, we made certain changes to the preliminary weighted-average margins for NEXTEEL and SeAH.⁶

Duty Absorption

In the *Preliminary Results*, we preliminarily found that antidumping duties were absorbed on all U.S. sales of subject merchandise that were exported by SeAH.⁷ However, because NEXTEEL did not sell merchandise to the United States through an affiliated importer, within

⁵ See Memorandum, "Issues and Decision Memorandum for the Final Results of the 2016-2017 Administrative Review of the Antidumping Duty Order on Welded Line Pipe from Korea" (IDM), dated concurrently with, and hereby adopted by, this notice.

⁶ See IDM at 3.

⁷ See PDM at 26-27.

the meaning of section 751(a)(4) of the Act, we did not make a preliminary duty absorption finding for NEXTEEL.⁸

We have received no further information regarding this issue for the final results. Therefore, for the final results, we continue to find that antidumping duties have been absorbed on all U.S. sales of subject merchandise that were exported by SeAH.

Determination of No Shipments

As noted in the *Preliminary Results*, we received a no shipment claim from HiSteel Co., Ltd. (HiSteel) and preliminarily determined that HiSteel had no shipments during the POR.⁹ We received no comments from interested parties with respect to this claim. Therefore, because the record indicates that HiSteel had no entries of subject merchandise to the United States during the POR, we continue to find that HiSteel had no shipments during the POR.

Final Results of the Review

We are assigning the following weighted-average dumping margins to the firms listed below for the period December 1, 2016, through November 30, 2017:

Producer or Exporter	Weighted-Average Dumping Margin (Percent)
NEXTEEL Co., Ltd.	38.87
SeAH Steel Corporation	27.38

⁸ *Id.*

⁹ See *Preliminary Results*, 84 FR at 4047.

Review-Specific Average Rate Applicable to the Following Companies:¹⁰

<u>Exporter or Producer</u>	<u>Weighted-Average Dumping Margin (Percent)</u>
AJU Besteel Co., Ltd.	32.49
BDP International, Inc.	32.49
Daewoo International Corporation	32.49
Dongbu Incheon Steel Co.	32.49
Dongbu Steel Co., Ltd.	32.49
Dongkuk Steel Mill	32.49
Dong Yang Steel Pipe	32.49
EEW Korea Co., Ltd.	32.49
Husteel Co., Ltd.	32.49
Hyundai RB Co. Ltd.	32.49
Hyundai Steel Company/Hyundai HYSCO	32.49
Kelly Pipe Co., LLC	32.49
Keonwoo Metals Co., Ltd.	32.49
Kolon Global Corp.	32.49
Korea Cast Iron Pipe Ind. Co., Ltd.	32.49
Kurvers Piping Italy S.R.L.	32.49
MSTEEL Co., Ltd.	32.49
Miju Steel MFG Co., Ltd.	32.49
Poongsan Valinox (Valtimet Division)	32.49
POSCO	32.49
POSCO Daewoo	32.49
R&R Trading Co. Ltd.	32.49
Sam Kang M&T Co., Ltd.	32.49
Sin Sung Metal Co., Ltd.	32.49
SK Networks	32.49
Soon-Hong Trading Company	32.49
Steel Flower Co., Ltd.	32.49
TGS Pipe	32.49

¹⁰ This rate is based on the weighted-average of the margins calculated for those companies selected for individual review using the publicly-ranged U.S. quantities. Because we cannot apply our normal methodology of calculating a weighted-average margin due to requests to protect business proprietary information, we find this rate to be the best proxy of the actual weighted-average margin determined for the mandatory respondents. *See Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010); *see also* Memorandum, “Calculation of the Review-Specific Average Rate for the Preliminary Results,” dated concurrently with this notice.

Disclosure of Calculations

We intend to disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding, in accordance with 19 CFR 351.224(b).

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act, and 19 CFR 351.212(b)(1), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

Pursuant to 19 CFR 351.212(b)(1), NEXTEEL reported the entered value of its U.S. sales such that we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the examined sales to the total entered value of the sales for which entered value was reported. SeAH did not report actual entered value for all of its U.S. sales such that we calculated entered value and determined the importer-specific *ad valorem* assessment rates as described above for NEXTEEL. Where either the respondent's weighted-average dumping margin is zero or *de minimis* within the meaning of 19 CFR 351.106(c)(1), or an importer-specific assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

For the companies which were not selected for individual review, we will assign an assessment rate equal to each company's weighted-average dumping margin identified above. The final results of this review shall be the basis for the assessment of antidumping duties on

entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.¹¹

We intend to issue liquidation instructions to CBP 15 days after publication of the final results of this review.

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: 1) the cash deposit rate for each specific company listed above will be equal to the weighted-average dumping margin that is established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; 2) for previously investigated companies not listed above, including the company for Commerce has determined had no shipments in these final results, the cash deposit will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which the company participated; 3) if the exporter is not a firm covered in this review, or the original less-than-fair-value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the cash deposit rate established for the most recently completed segment for the producer of the subject merchandise; and 4) the cash deposit rate for all other producers or exporters will continue to be

¹¹ See section 751(a)(2)(C) of the Act.

4.38 percent, the all-others rate established in the LTFV investigation.¹² These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

¹² See *Welded Line Pipe from the Republic of Korea and the Republic of Turkey: Antidumping Duty Orders*, 80 FR 75056, 75057 (December 1, 2015).

Notification to Interested Parties

This notice is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance

Dated: June 7, 2019.

Appendix

List of Topics Discussed in the IDM

- I. Summary
- II. Background
- III. Margin Calculations
- IV. Discussion of the Issues
 - General Issues:
 - Comment 1: Lawfulness of Commerce's Interpretation of the Particular Market Situation (PMS) Provision
 - Comment 2: Evidence of a PMS
 - Comment 3: PMS Adjustment
 - Comment 4: Source for Constructed Value (CV) Selling Expenses and Profit
 - NEXTEEL-Specific Issues:
 - Comment 5: NEXTEEL's Affiliation With POSCO
 - Comment 6: Importer-Specific Assessment Rate for NEXTEEL/POSCO
 - Comment 7: Major Input Analysis for NEXTEEL
 - Comment 8: Non-Prime Costs for NEXTEEL
 - Comment 9: Suspended Production Loss for NEXTEEL
 - SeAH-Specific Issues:
 - Comment 10: Canada as Comparison Market for SeAH
 - Comment 11: Capping of Freight Revenue for SeAH
 - Comment 12: Application of Quarterly Costs to SeAH
 - Comment 13: Adjustment for General and Administrative (G&A) Expenses for SeAH's U.S. Affiliates

- V. Recommendation

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